

BOARD OF COUNTY COMMISSIONERS

AGENDA ITEM SUMMARY

Meeting Date: July 20, 2005

Division: Management Services

Bulk Item: Yes X No

Department: Group Insurance

AGENDA ITEM WORDING: Approval to renew with The Hartford Life Insurance for our Group Life and Accidental Death & Dismemberment policy October 1, 2005 through September 30, 2006.

ITEM BACKGROUND: Hartford Life Insurance policy originally secured in FY 2000.

PREVIOUS RELEVANT BOCC ACTION: January 16, 2002 MCBOCC granted approval of recommendations regarding the proposals received for Group Life Insurance (The Hartford Life Insurance) from the RFP distributed July 13, 2001.

CONTRACT/AGREEMENT CHANGES: Term only. Increase in basic life premium from \$.39 to \$.44 per \$1000 of volume, no increase in AD&D premium of \$.02 per \$1000 of volume. This rate is guaranteed for two years. *NOTE: This is the first premium increase in seven years.

STAFF RECOMMENDATIONS: Approval.

TOTAL COST: \$161,200.00

BUDGETED: Yes X No

COST TO COUNTY: \$161,200.00

SOURCE OF FUNDS: Primarily Ad Valorem

REVENUE PRODUCING: Yes No X **AMOUNT PER MONTH** **Year**

APPROVED BY: County Atty X OMB/Purchasing X Risk Management X

DIVISION DIRECTOR APPROVAL:

Sheila A. Barker

Sheila A. Barker, Division Director Management Services

DOCUMENTATION: Included X To Follow Not Required

DISPOSITION:

AGENDA ITEM #

MONROE COUNTY BOARD OF COUNTY COMMISSIONERS

CONTRACT SUMMARY

Contract #

Contract with: The Hartford Life Insurance Effective Date: October 1, 2005

Expiration Date: September 30, 2006

Contract Purpose/Description: Approval to renew current Group Life and Accidental Death & Dismemberment policy from October 1, 2005 through September 30, 2006.

Contract Manager: Maria Z. Fernandez
(Name)

4448
(Ext.)

Administrative Services
(Department)

for BOCC meeting on July 20, 2005

Agenda Deadline: July 1, 2005

CONTRACT COSTS

Total Dollar Value of Contract: \$161,200.00 Current Year Portion: \$ _____

Budgeted? Yes ☒ No ☐ Account Codes: 502-08002-530450- _____

Grant: \$ _____

County Match: \$ _____

ADDITIONAL COSTS

Estimated Ongoing Costs: \$ _____/yr

For: _____

(Not included in dollar value above)

(eg. maintenance, utilities, janitorial, salaries, etc.)

CONTRACT REVIEW

	Date In	Changes Needed	Reviewer	Date Out
Division Director	_____	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>Sheila A. Barker</u>	<u>6-27-05</u>
Risk Management	<u>6-28-05</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>M. Slavik</u>	<u>6-28-05</u>
<u>26</u> O.M.B./Purchasing	<u>6-28-05</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>Sheila A. Barker</u>	<u>6/29/05</u>
County Attorney	<u>6/28/05</u>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<u>[Signature]</u>	<u>6/28/05</u>
Comments: _____				



Hartford Life

May 26, 2005

Rick Capizzi/Mary Kay Lantz
Gallagher Benefit Services, Inc.
2255 Glades Road, Suite 400E
Boca Raton, FL 33431

Subject: Monroe County Board of County Commissioners, Policy #303613

Underwriting has completed the evaluation for the above named account for the upcoming October 1, 2005 renewal. We currently underwrite their Basic Life/AD&D coverages. Outlined below are the benefit highlights, the financial results to date and renewal decisions.

BASIC LIFE and AD&D

INFORCE BENEFIT HIGHLIGHTS – BASIC LIFE and AD&D

Eligibility / Class	Class 1: All active, full-time employees Class 2: Retirees
Funding Method	Fully Insured/Non-Par
Contributions	Non-Contributory
Benefit	\$20,000
Benefit Maximum	\$20,000
Guaranteed Issue Amount	\$20,000
Cutback Schedule	Class 1: 33% at 70, 50% at 75 Class 2: 50% at 70
Disability Provision	Standard prior to 60, Lifetime
Living Benefits Option	12 months
Commission Schedule	4% Commission

INFORCE RATE AND PLAN HISTORY – BASIC LIFE / AD&D

Date	Rate per \$1,000 Volume	Reason
10/1/1999	\$.39	Inception

FORMULA RATE CALCULATION – BASIC LIFE / AD&D

Time Periods	10/1/2000 – 5/1/2005
Paid Premium	\$647,729
Common Premium	\$647,729
Paid Claims	\$649,644
IBNR Reserves	\$25,118
Incurred Claims	\$674,762
Incurred Loss Ratio	104.2%
Desired Loss Ratio	82.3%
Inforce Rate	\$.39
Experience Rate	\$.499
Credibility	66%
Formula Rate	\$.487

RISK / EXPERIENCE ANALYSIS – BASIC LIFE / AD&D

The Life Experience is running above desired. 2000 was the only full year in our experience that has run below desired. Although, the formula rate is calling for a 25% rate increase, Underwriting has agreed to a 13% increase at this renewal, and is willing to offer this rate for 2 years.

PROPOSED RATES – BASIC LIFE / AD&D

Quoted Rate per \$1000 of Volume	\$.44
Annual Premium	\$155,063.04
Rate Guarantee	2 Years
AD&D Quoted Rate per \$1000 of Volume	\$.02
AD&D Annual Premium	\$6,066.72

We value our relationship with both Monroe County Board of County Commissioners and Gallagher Benefit Services and look forward to our continued efforts in providing Monroe County with a strong benefit plan for their employees.

Please let us know if you have any questions regarding any of this information.

Sincerely,

Mary Molloy

Mary Molloy
Account Manager